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SUBJECT: WEST BENGAL CPM LEADER STANDS STRONG AGAINST
HARDLINERS IN SUPPORT OF 123 AGREEMENT

Classified By: PolCouns Ted Osius for Reasons 1.4 (B,D)

11. (C) SUMMARY: Following two days of Communist Party of India-Marxist (CPM) central committee meetings September 29-30 in Kolkata, West Bengal Chief Minister Jyoti Basu took a stand separating himself and his clique from the hardliners opposed to the 123 Agreement and the Indo-U.S. civil nuclear initiative. Basu held off CPM members opposed to the deal by stating that the CPM could not decide upon its next plan of action until the final two UPA-Left meetings to discuss the initiative were held October 5 and 14. However, Deepak Choudhury (personal secretary to the Minister of Science and Technology) predicted to Kolkata ConGen September 30 that the Left representatives to the next UPA-Left meeting would either not show up or walk out of the meeting in protest. Sanjaya Baru, Media Advisor to the Prime Minister, told PolCouns September 28 that he expected the CPM would look for a face-saving way out of the political crisis in order to avoid early elections, in which the CPM would not likely fare well. Karat's bark may be worse than his bite, and the louder the CPM opposes the nuclear deal, the more likely it is that compromises are in the works with the UPA behind the scenes. END SUMMARY.

West Bengal Takes a Stand Against Hardliners

12. (SBU) West Bengal Chief Minister (and CPM senior-most member) Jyoti Basu reportedly leaned on the hardliners opposing the U.S.-India civil nuclear agreement at the CPM's two-day Central Committee meeting in Kolkata. "Let's see whether the Congress offers any concession at the two meetings of the UPA-Left committee. Only then can we decide our next action," Basu stated September 30 in Kolkata, according to the press. "The Telegraph" called Basu's comments a "clear signal to the party hardliners to hold their fire until the mechanism wraps up the next two rounds."

13. (SBU) "The Pioneer" took a dimmer view, reporting that the UPA-Left committee meetings, scheduled for October 5 and 14, were to be "an exercise in buying time," and that the Left had already decided to withdraw support for the UPA

government. "The withdrawal of support is inevitable. It is a question of time and strategy," Left sources reportedly said. CPM Central Committee member M.K. Pandhe maintained a tough stance in opposition to the deal and the UPA government, reportedly declaring, "We are still firm on our opposition to the deal. We will not allow operationalizing (of) the deal."

Is There a Face-Saving Way Out for the CPM?

14. (C) At a reception September 28, Sanjaya Baru, Media Advisor to the Prime Minister, told PolCouns that all eyes in the Congress and United Progressive Alliance (UPA) were now on Kolkata. Delhi's political barons wondered if the Communists would meet and find a face-saving way out of the political crisis, which would allow them to avoid an early election, or if they would come out breathing fire and demanding a vote of no-confidence in the Prime Minister. Baru assessed that CPM leader Prakash Karat's calculus is based on his need to survive the next CPM general congress which normally should take place in April 2008. If Karat's strident rhetoric and calls for early elections leads to elections in which the Left loses seats in the Lok Sabha (Lower House of Parliament), he will be on thin ice. Karat, thought Baru, had calculated that the Congress would dump PM Manmohan Singh when the political crisis began in August, but the Congress had instead rallied to its Prime Minister and to the nuclear deal. Because Karat's strategy misfired, he now faces an uncertain future within the CPM.

15. (C) Baru dismissed Bahujan Samaj Party (BSP) supremo and

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Uttar Pradesh (UP) Chief Minister Mayawati's chances to break out of UP and affect the national vote. He cautioned against buying into the hype surrounding Mayawati, arguing that she cannot count on more than 80 or 90 seats at best. In Gujarat and Rajasthan her appeal is limited, and she can only expect to gain a bit in Madhya Pradesh. As for the Bharatiya Janata Party (BJP), Baru said they are simply not ready and an early poll may not help them.

16. (C) At the same reception September 28, a vernacular journalist who is extremely close to Defense Minister Antony and National Security Advisor Narayanan told DepPolCouns that he thought the government would pass a law by presidential decree sometime after the CPM meeting ends on October 5 that would address some of the concerns the CPM and the BJP have about the Hyde Act and would gloss over some of the harshest areas of disagreement about the nuclear deal. Such a law, the journalist calculated, would permit the CPM to withdraw its horns, claim "victory," and find a face-saving way out. Once the law was passed, the Congress would accelerate efforts to move forward with the nuclear deal, especially the International Atomic Energy Agency (IAEA) safeguards agreement, he added. Asked whether such a law might arouse the ire of the U.S. Congress, the journalist shrugged and said that what was "sauce for the goose was also sauce for the gander."

Minister for Science Says the Deal Will Go Forward Despite Mid-term Elections

17. (C) On September 30, Kolkata ConGen spoke with Minister for Science and Technology Kapil Sibal about the present state of play on the 123 agreement. ConGen asked Sibal whether he had an opportunity to meet with any of the CPM leadership in Kolkata as his visit coincided with the party's Politburo and Central Committee meetings in the city. Sibal was evasive, but in separate conversations with his personal secretary Deepak Choudhury, Choudhury confirmed that Sibal

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has been traveling to pitch the civil nuclear agreement and

had recently been in the other Leftist stronghold of Kerala, implying Sibal was acting as pitchman to the Left. Sibal was hesitant to provide details on his impressions about how the Left's opposition to the 123 would develop, but he did indicate that he thought midterm elections would be likely. When asked if the Government of India (GOI) would go forward with "operationalizing" the agreement, in conducting further negotiations with the International Atomic Energy Agency (IAEA) and the Nuclear Suppliers Group (NSG) over the objections of the Left, Sibal confidently responded that yes, the GOI would conduct further international meetings on the civil nuclear agreement.

The Left and UPA Headed for a Final Break?

¶8. (C) Choudhury told ConGen that he anticipated that the Left representatives to the UPA-Left committee to discuss the 123 Agreement would not attend or would walk out of the October 5 meeting. Another meeting was to follow on October 14. Choudhury believed that the Left and UPA were coming to a final break over the 123 Agreement in October.

Looking for Concessions from Washington

¶9. (SBU) Seizing on erroneous press reporting of statements by Assistant Secretary Boucher, Central Committee members claimed the U.S. had "no timeline" for operationalizing the nuclear deal. The "Times of India" reported Foreign Minister Mukherjee was expected to "be able to extract some concessions from Washington on the nuclear deal" during his visit to the U.S.

Comment: The Louder the Bark, the Smaller the Bite

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¶10. (C) While Baru, Basu, and Sibal give differing views on the Left's likely course of action, Post believes CPM is indeed seeking a face-saving way to allow the government to close the civil nuclear deal while avoiding early elections. Contacts here suggest the longer and louder the CPM hardliners bark and speak out against the nuclear deal, the more likely it is that back room compromises are in the works to preserve it. The Left's position will become more clear following the UPA-Left meeting on the nuclear deal October 5, and IAEA Director General El Baradei's visit to New Delhi the week of October 8. Contacts tell us the UPA-Left Committee will hold a fourth meeting on October 14, buying more time for FM Mukherjee to work out a deal with the Left, and possibly delaying further textual negotiations between the GOI and IAEA. Post will continue to follow the Left's machinations closely through this period of Central Committee deliberations and sparring with the UPA. End comment.

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